

## Message Text

CONFIDENTIAL

PAGE 01 PEKING 02850 01 OF 03 121137Z  
ACTION EA-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-03  
INR-10 NSAE-00 ICA-11 TRSE-00 XMB-02 OPIC-03  
SP-02 LAB-04 SIL-01 OMB-01 SOE-02 CEA-01 DODE-00  
DOE-15 H-01 INT-05 L-03 NSC-05 PM-05 OES-09  
SS-15 STR-07 ACDA-12 AGRE-00 PA-01 /144 W  
-----087363 121235Z /45

R 121008Z SEP 78  
FM USLO PEKING  
TO SECSTATE WASHDC 1988  
INFO AMCONSUL HONG KONG

C O N F I D E N T I A L SECTION 1 OF 3 PEKING 2850

E.O. 11652: GDS  
TAGS: EAGR, ECON, ETRD, CH, US  
SUBJ: BUSINESS ACTIVITY REPORT: AUGUST

SUMMARY: HIGHLIGHTS FOR AUGUST WERE A SALE OF DRILLING BITS BY REED TOOL, A SALE OF HEAVY OFFROAD TRUCKS BY KENWORTH (EACH OF THESE SALES WAS WORTH ABOUT DOLLARS THREE MILLION), A REPORTED SALE OF UREA FERTILIZER, AND CONCLUSION OF A CONTRACTUAL ARRANGEMENT WHEREBY AN AMERICAN FIRM WILL PROCURE INSTRUMENTATION SYSTEMS FOR GAS TURBINES TO BE USED AT THE NANKING POWER GENERATION PLANT. OTHER U.S. FIRMS DISCUSSED PETROLEUM EXPLORATION AND PRODUCTION EQUIPMENT, COAL MINING EQUIPMENT, IRON ORE ENGINEERING, TIRE CORD, DIESEL ENGINES, BULLDOZERS, COMPUTERS, AND FILM-MAKING EQUIPMENT. IN A FIRST FOR US, OFFICIALS OF THE CHINA NATIONAL EXPORT COMMODITIES PACKAGING CORPORATION (CHINAPAK) VISITED USLO DURING THE MONTH TO VIEW A VIDEOTAPE PRESENTATION OF PACKAGING EQUIPMENT PREPARED BY AN AMERICAN BUSINESSWOMAN. ON THE PURCHASING SIDE, AMERICANS BOUGHT TEXTILES, APPAREL, AND CARPETS, AND WERE NEGOTIATING ON TUNG OIL. A FEW AMERICANS ATTENDED THE ARTS AND CRAFTS MINIFAIR, HELD DURING AUGUST IN PEKING. THE NATIONAL COUNCIL FOR U.S.-  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 PEKING 02850 01 OF 03 121137Z

CHINA TRADE'S PACKAGING EQUIPMENT DELEGATION HAD A SUCCESSFUL VISIT TO THE PRC, AND NINE COMMERCIALLY-ORIENTED CHINESE DELEGATIONS LEFT PEKING FOR THE U.S. DURING THE MONTH. END SUMMARY.

U.S. SELLERS  
1. PETROLEUM EQUIPMENT AND OFFSHORE EXPLORATION:

-- EXXON CORPORATION: A DELEGATION VISITED PEKING AND ALSO HAD AN OPPORTUNITY TO INSPECT OFFSHORE FACILITIES IN THE POHAI GULF AND SOUTH CHINA.

-- UNION OIL COMPANY: THE THIRD U.S. PETROLEUM FIRM, A DELEGATION HEADED BY BOARD CHAIRMAN FRED HARTLEY, VISITED PEKING AND SOUTH CHINA IN MID-AUGUST. UNION'S DISCUSSIONS APPARENTLY FOLLOWED THE SAME PATTERN AS THE PREVIOUS THREE COMPANIES.

-- KENWORTH (REPRESENTED BY SMITH DASING): SIGNED A THREE MILLION DOLLAR CONTRACT FOR APPROXIMATELY 15-20 HEAVY OFF-ROAD TRUCKS FOR USE IN CHINESE OIL FIELDS.

-- SMITH INTERNATIONAL LTD.: TWO DIVISIONS OF THIS COMPANY -- SMITH TOOL COMPANY AND DRILCO (BOTH REPRESENTED BY SMITH DASING) -- WERE IN CHINA IN AUGUST. DRILCO WENT TO TAKANG TO INSTRUCT THE CHINESE ON USE OF MEASURING EQUIPMENT SOLD EARLIER. A SMITH TOOL REP (JIM KINGSOLVER) RETURNED TO PEKING ON AUGUST 28 AFTER SPENDING ABOUT TWO WEEKS IN SHENGLI OILFIELD HOLDING TECHNICAL SEMINARS AND VISITING THE OILFIELD. SOME 50 TECHNICIANS FROM ALL OF CHINA'S OILFIELDS ATTENDED THE SEMINARS WHICH RANGED OVER DRILLING, DRILLING FLUID ENGINEERING AND ROCK BIT DESIGN AND MANUFACTURING. KINGSOLVER VISITED A DRILLING SITE NEAR THE POHAI GULF AT THE MOUTH OF THE YELLOW RIVER AND NOTED ABOUT TEN RIGS WERE OPERATING AND THAT DRILLING WAS TAKING PLACE AT 3000-3500 METERS ON SOME RIGS. KINGSOLVER WAS VERY SURPRISED TO SEE THAT MANY RIGS ENGAGED IN EXPLORATORY DRILLING HAD NO BLOW-OUT PREVENTERS. CONFIDENTIAL

CONFIDENTIAL

PAGE 03 PEKING 02850 01 OF 03 121137Z

THE RIGS WERE ALSO VERY OLD AND ANTIQUATED BY U.S. STANDARDS.

-- BAKER TRADING CO.: BAKER, GRAY AND THERMOTICS CONTINUED NEGOTIATIONS DURING AUGUST ON THERMAL STEAM RECOVERY EQUIPMENT (PEKING 2366).

-- BOWEN OIL TOOLS: THIS FIRM (REPRESENTED BY BAKER TRADING) IS SEEKING TO SELL "FISHING TOOLS" FOR OIL AND GAS WELLS.

-- REED TOOL CO.: TECHIMPORT HAS ASKED REED (ALSO REPRESENTED BY BAKER TRADING CO.) TO MAKE A PROPOSAL FOR THE SALE OF A COMPLETE DRILLING BIT PLANT (WITH A CAPACITY OF 50,000 ROCK BITS PER YEAR).

## 2. MINING EQUIPMENT AND ENGINEERING SERVICES:

-- REED TOOL CO.: REED SOLD THREE MILLION DOLLARS WORTH OF DRILLING BITS FOR USE ON VERTICAL SHAFT BORING MACHINES. SOME OF THE MACHINES ON WHICH THE HEADS WILL BE USED WILL BE MORE THAN FIVE METERS IN DIAMETER; OTHERS WILL BE USED TO DRILL VENTILATION SHAFTS (PEKING 2597 INCORRECTLY REPORTED THIS SALE AS A ROCK BIT SALE. REED IS NOW DISCUSSING A LARGE ROCK BIT SALE AND AGENT STAN MILLS EXPECTS TO SIGN A CONTRACT AFTER SEPT 15).

-- LONGYEAR COMPANY: THIS COMPANY APPEARED TO BE IN THE

FINAL STAGES OF NEGOTIATION FOR DIAMOND DRILLS TO EXPLORE MINING SITES. HOWEVER, THEY LEFT PEKING WITHOUT TELLING US WHETHER THEY WERE SUCCESSFUL OR NOT.

-- KAISER: KAISER ENGINEERING (REPRESENTED BY CHASE PACIFIC TRADE ADVISORS) APPEARS TO HAVE HAD A VERY SUCCESSFUL PRELIMINARY VISIT TO CHINA. THEY VISITED IRON ORE MINES IN HOPEI AND LIAONING. MINISTER OF METALLURGY, T'ANG K'O GAVE A BANQUET FOR KAISER AND EVEN CAME TO ONE OF THE KAISER SEMINARS. KAISER WAS ASKED TO SUBMIT ENGINEERING PROPOSALS FOR A NUMBER OF IRON ORE MINES. THE CHINESE THOUGHT THAT THE GENERAL ENGINEERING PROPOSALS (INCLUDING SUPERVISING CONSTRUCTION) WERE TOO EXPENSIVE AND ASKED KAISER TO SUBMIT "PRELIMINARY" ENGINEERING PROPOSALS. KAISER WANTS TO BE PAID ON A "COST-REIMBURSABLE" BASIS -- A POINT OF CONTENTION  
CONFIDENTIAL

CONFIDENTIAL

PAGE 04 PEKING 02850 01 OF 03 121137Z

BETWEEN THE CHINESE AND SEVERAL OTHER COMPANIES WHO HAVE BEEN DISCUSSING CONTRACTS FOR ENGINEERING SERVICES. WE DO NOT KNOW OF ANY CONTRACTS THAT HAVE YET INCLUDED COST-REIMBURSABLE PROVISIONS; HOWEVER, THE CHINESE HAVE NOT RULED OUT THE IDEA EITHER. KAISER WILL RETURN IN SEPTEMBER.

-- FLOUR: FLOUR MINING SPECIALISTS ARE HERE TO CONTINUE THEIR DISCUSSIONS. FIRM REP ERIC KALKHURST DOES NOT EXPECT ANY MAJOR DEVELOPMENTS ON THEIR PROPOSALS FOR ANOTHER MONTH OR TWO.

-- ROBERTS AND SCHAEFER: THIS FIRM (REPRESENTED BY CALIFAS, A NEW FIRM BASED IN HONG KONG THAT REPRESENTS ONLY U.S. FIRMS) IS DISCUSSING SALES OF COAL WASHING EQUIPMENT.

-- GARDNER DENVER: THEY ARE MAKING PROPOSALS TO MACHIMPEX FOR BLAST HOLE ROTARY DRILLS AND WATER WELL DRILLING RIGS

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 PEKING 02850 02 OF 03 121217Z  
ACTION EA-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-03  
INR-10 NSAE-00 ICA-11 TRSE-00 XMB-02 OPIC-03  
SP-02 LAB-04 SIL-01 OMB-01 SOE-02 CEA-01 DODE-00  
DOE-15 H-01 INT-05 L-03 NSC-05 PM-05 OES-09  
SS-15 STR-07 ACDA-12 AGRE-00 PA-01 /144 W  
-----087717 121236Z /45

R 121008Z SEP 78  
FM USLO PEKING  
TO SECSTATE WASHDC 1989  
INFO AMCONSUL HONG KONG

C O N F I D E N T I A L SECTION 2 OF 3 PEKING 2850

(FOR USE IN COAL MINES). THE POTENTIAL OF THE CONTRACT IS FROM THREE TO SEVEN MILLION DOLLARS. THEY ARE REPRESENTED BY PETER WONG OF C-TRAN CORPORATION IN TORONTO, CANADA.

3. PETROCHEMICAL:

-- CHEMTEX/DUPONT: A TEAM FROM THESE TWO COMPANIES IS HERE DISCUSSING THE POSSIBILITY OF CONSTRUCTING A COMPLETE PLANT FOR "NYLON 66" FOR USE IN TIRE RETREADING FACILITIES. THEY BELIEVE THAT THE CHINESE ARE VERY INTERESTED IN THIS PRODUCT AND FEEL THEY HAVE LITTLE COMPETITION. CHEMTEX HOPES TO INTEREST THE CHINESE IN A SERIES OF TECHNICAL SEMINARS ON A WIDER RANGE OF ARTIFICIAL FIBERS. THE TECHNICAL SEMINARS ARE WITH CHINATEX WHICH MAY INDICATE THAT THE CHINESE ARE NOT PREPARED TO INVOLVE TECHIMPORT IN COMMERCIAL NEGOTIATIONS AT THIS STAGE.

4. AGRICULTURAL EQUIPMENT, FERTILIZER, AND CONSTRUCTION EQUIPMENT:

-- UNION OIL COMPANY AND COLLIER CARBON AND CHEMICAL CORPORATION: A REPORTED SALE OF UREA FERTILIZER WAS MADE BY THESE COMPANIES. THE UREA WILL BE SOURCED FROM ALASKA AS WILL ADDITIONAL SALES MADE BY MITSUBISHI CORP.  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 PEKING 02850 02 OF 03 121217Z

-- CATERPILLAR: REPRESENTATIVES ARE HERE AGAIN TO DISCUSS SALES OF BULLDOZERS AND OIL FIELD TRANSPORT VEHICLES. THIS TIME THEY HAVE ALSO MET WITH TECHIMPORT AS WELL AS MACHIMPEX.  
-- CUMMINS: CUMMINS WAS HERE TO MAKE PROPOSALS REGARDING DIESEL ENGINES. FIRM SAID THAT THE CHINESE WOULD LIKE TO BUY THE MANUFACTURING TECHNOLOGY BUT FIRM REPS SEEMED MORE INTERESTED IN SELLING ENGINES. WE UNDERSTAND THAT THE DIESEL ENGINES WOULD BE USED IN CONJUNCTION WITH A PROPOSED BULLDOZER PLANT TO BE BUILT BY THE JAPANESE FIRM KOMATSU.

5. INSTRUMENTATION, ELECTRONICS AND COMPUTERS:

-- B&F CORPORATION: EUGENE FRANK SUCCESSFULLY COMPLETED HIS NEGOTIATIONS WITH TECHIMPORT. HE HAS TWO CONTRACTS. ON THE LARGER ONE WORTH ABOUT TWO AND A QUARTER MILLION DOLLARS, HE WILL ACT AS GENERAL CONTRACTOR FOR PROCURING ALL SYSTEMS (FROM MANY DIFFERENT COMPANIES) FOR THE INSTRUMENTS TO CONTROL SIX GAS TURBINES TO BE INSTALLED IN A NANKING POWER GENERATION PLANT. THE CONTRACT CALLS FOR DELIVERY IN TWO YEARS BUT FRANK SAYS IT SHOULD ALL BE DELIVERED IN

18 MONTHS. HE MUST GET APPROVAL TO EXPORT A DIGITAL ELECTRONICS CORPORATION COMPUTER PDP 1134, WHICH FRANK THINKS WILL NOT PRESENT SERIOUS PROBLEMS. FRANK ALSO CONCLUDED A CONTRACT FOR THIRTY THOUSAND DOLLARS TO DO AN ENGINEERING DESIGN STUDY; HE THINKS THIS STUDY WILL CONVINCE THE CHINESE TO PURCHASE ANOTHER ONE MILLION DOLLARS WORTH OF EQUIPMENT. BEFORE LEAVING FRANK WAS INTRODUCED TO OTHER POTENTIAL END USERS -- INCLUDING TECHNICIANS FROM PEKING UNIVERSITY'S "JET PROPULSION" LAB.

-- SPERRY RAND/UNIVAC DIVISION: SEVERAL DELEGATIONS FROM SPERRY RAND HAVE BEEN IN PEKING DURING AUGUST. ONE GROUP SURVEYED PEKING LIVING COSTS IN THE EVENT THEY HAVE TECHNICIANS HERE FOR LONG PERIODS. ANOTHER GROUP HAS BEGUN VERY PRELIMINARY TRAINING ON THE TWO COMPUTERS THAT WERE SOLD

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 PEKING 02850 02 OF 03 121217Z

IN JUNE. THEY ALSO HAVE A NEGOTIATING TEAM HERE DISCUSSING CONTRACT MODIFICATIONS FOR THEIR EARLIER CONTRACT TO MEET U.S. EXCON REQUIREMENTS. THEY APPEAR TO BE RATHER PESSIMISTIC ABOUT GETTING THE CHINESE TO ACQUIESCE TO ANY FORM OF VISITATION OR SERVICE RIGHTS. HOWEVER, THEY BELIEVE THEY HAVE A FIFTY-FIFTY CHANCE OF SIGNING YET ANOTHER CONTRACT FOR A THIRD COMPUTER SYSTEM FOR SEISMOLOGICAL WORK (EARTHQUAKE PREDICTION). THEY BELIEVE THAT THEY MAY BE ABLE TO CONVINCE THE CHINESE TO ACCEPT A COMPUTER NO MORE SOPHISTICATED THAN THE HITACHI MODEL NOW BEING INSTALLED IN THE PEKING CENTRAL METEOROLOGICAL BUREAU.

-- FILMO: THIS HONG KONG COMPANY EXHIBITED U.S. AUDIO-VISUAL EQUIPMENT ALONG WITH THAT OF OTHER CLIENTS IN PEKING IN AUGUST. THEY REPORTEDLY SHIPPED MORE THAN TWO HUNDRED THOUSAND DOLLARS WORTH OF EQUIPMENT TO PEKING FOR THE EXHIBIT.

-- IBM: TWO IBM STAFFERS SPENT OVER ONE WEEK IN SHENYANG HOLDING CLASSES FOR TECHNICIANS OF THE SHENYANG BLOWER WORKS. ACCORDING TO IBM, THE CLASSES WERE PRIMARILY ENGLISH TRAINING TO EQUIP THE TECHNICIAN WITH THE SKILLS TO READ IBM MANUALS AND ATTEND TECHNICAL TRAINING SCHOOLS IN THE U.S. WHEN THE IBM COMPUTER SALE IS EVENTUALLY APPROVED.

6. MISCELLANEOUS:

-- UNISON INTERNATIONAL: ON BEHALF OF A CLIENT, BEULAH SUNG, THE MANAGING DIRECTOR OF THIS SMALL CLEVELAND COMPANY, GAVE A VIDEO TAPE PRESENTATION TO THE CHINA NATIONAL EXPORT COMMODITIES PACKAGING CORPORATION. THE SHOWING WAS HELD AT USLO II USING USLO EQUIPMENT. MRS. SUNG HAD NO DIFFICULTY CONVINCING THE CORPORATION TO COME TO USLO FOR THE SHOWING AND ABOUT FIFTEEN PERSONS ATTENDED. SHE ALSO VISITED SHANGHAI AND PLANNED TO GIVE PRESENTATIONS THERE.

-- CALGON: THIS DIVISION OF MERCK COMPANY WAS IN PEKING BUT WE DO NOT HAVE ANY DETAILS ON THEIR DISCUSSIONS.

-- FMC CORPORATION: ROBERT MCCULLOUGH, DIRECTOR OF INTER-

NATIONAL MARKETING VISITED PEKING TO DISCUSS A BROAD RANGE  
OF COMPANY PRODUCTS INCLUDING OIL FIELD EQUIPMENT, FOOD  
CONFIDENTIAL

CONFIDENTIAL

PAGE 04 PEKING 02850 02 OF 03 121217Z

PROCESSING EQUIPMENT, AND AGRICULTURAL AND INDUSTRIAL  
CHEMICALS.  
-- KODAK: KODAK MADE A SMALL SALE (THIRTY THOUSAND DOLLARS)  
OF FILM DURING THEIR VISIT IN AUGUST. THEY BELIEVE THE  
CHINESE WILL MAKE SUBSTANTIALLY LARGER FUTURE PURCHASES.  
-- MID-AMERICA CHINA EXCHANGE INC.: THIS IS A SMALL COMPANY  
WHOSE GENERAL MANAGER IS WALTER KEATS. KEATS HAS VISITED

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 PEKING 02850 03 OF 03 121219Z  
ACTION EA-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-03  
INR-10 NSAE-00 ICA-11 TRSE-00 XMB-02 OPIC-03  
SP-02 LAB-04 SIL-01 OMB-01 SOE-02 CEA-01 DODE-00  
DOE-15 H-01 INT-05 L-03 NSC-05 PM-05 OES-09  
SS-15 STR-07 ACDA-12 AGRE-00 PA-01 /144 W  
-----087746 121236Z /45

R 121008Z SEP 78  
FM USLO PEKING  
TO SECSTATE WASHDC 1990  
INFO AMCONSUL HONG KONG

C O N F I D E N T I A L SECTION 3 OF 3 PEKING 2850

PEKING AND ATTENDED THE CANTON FAIR AS PRESIDENT OF THE  
"MIDDLE WEST TRADING CORPORATION". KEATS HAD PLANNED TO  
BRING 400 TOURISTS (IN FOUR GROUPS OF 100 EACH) TO CHINA  
IN 1978. HOWEVER, KEATS TOLD USLO THAT CHINA INTERNATIONAL  
TRAVEL SERVICE IS CUTTING HIM BACK TO 200 TO 300 TOURISTS  
NEXT YEAR. THEY SUGGESTED THAT KEATS COULD PERHAPS MAKE  
ARRANGEMENTS WITH PAN AM OR ANOTHER AIRLINE TO BRING MID-  
AMERICAN TOURISTS TO CHINA UNDER THE AIRLINES AGREEMENT.

U.S. BUYERS  
-- TEXTURES INTERNATIONAL: THEY WERE HERE BUYING TEXTILES.  
THE COMPANY ALSO PRESENTED PROPOSALS TO SELL A WIDE RANGE

OF EQUIPMENT.

-- ROCKLAND INDUSTRIES: ALSO HERE TO BUY TEXTILES.

-- D.E. SHANE: HIS SHIPMENT OF CHINESE VODKA WAS REJECTED BY TREASURY'S BUREAU OF ALCOHOL, TOBACCO AND FIREARMS BECAUSE THE VODKA DID NOT MEET MINIMUM PROOF STANDARDS, WAS IMPROPERLY LABELED AND WAS NOT BOTTLED IN STANDARD CONTAINERS. TO BE SOLD IN THE U.S. THIS VODKA WOULD HAVE TO BE CALLED "DILUTED VODKA". SHANE WAS TRYING TO GET CEROILS TO TAKE THE SHIPMENT BACK.

-- INDUSTRIAL OIL PRODUCTS CORPORATION (N.Y.): THIS COMPANY  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 PEKING 02850 03 OF 03 121219Z

IMPORTS TUNG OIL INTO THE U.S., PRIMARILY FROM LATIN AMERICA. THE CHINESE HAVE GREATLY REDUCED TUNG OIL SHIPMENTS IN THE PAST FEW YEARS AND PARTLY BECAUSE OF THIS THE PRICE OF TUNG OIL HAS INCREASED SHARPLY. NOW CHINA IS APPARENTLY THINKING OF EXPORTING MORE AND DEVELOPING RELATIONS WITH MORE IMPORTERS. INDUSTRIAL OIL PRODUCTS PROPOSES TO PURCHASE A FAIRLY SMALL FIRST ORDER; THE CHINESE FOR UNEXPLAINED REASONS ARE INSISTING ON SELLING IT F.O.B.

-- INTERNATIONAL CORPORATION OF AMERICA: IN ADDITION TO REPRESENTING CLIENTS TRYING TO SELL TO CHINA, THE WANGS ARE HERE TO PURCHASE CARPETS.

-- SHAMASH AND SONS: JACK SHAMASH HAS BEEN IN PEKING AND ASKED FOR A MEETING WITH USLO TO DISCUSS AN AMENDMENT OFFERED BY REPRESENTATIVE AUCOIN THAT WOULD ACCORD MFN TREATMENT ON SILK, BUT DID NOT RETURN.

-- ARTS AND CRAFTS MINIFAIR: ACCORDING TO AN ARTCHINA OFFICIAL, AMERICAN ATTENDANCE AT THIS FAIR, HELD DURING AUGUST IN PEKING, WAS SMALL. WE ARE AWARE OF TWO U.S. FIRMS WHICH PARTICIPATED: WORLD FIGURINES OF DALLAS AND CONTINENTAL GIFTS

DELEGATIONS

7. TO CHINA: THE NATIONAL COUNCIL'S PACKAGING EQUIPMENT DELEGATION VISITED PEKING, SHANGHAI, TSINGTAO AND WUSHI ON A TWO WEEK VISIT TO CHINA. THEY DID NOT SIGN ANY CONTRACTS, BUT WERE ASKED TO SUBMIT QUOTATIONS ON ABOUT A HALF MILLION DOLLARS WORTH OF EQUIPMENT. THE DELEGATION ALSO DISCUSSED THEIR INVITATION FOR REPRESENTATIVES OF CHINA NATIONAL PACKAGING EXPORT COMMODITIES CORPORATION TO SEND REPRESENTATIVES TO A U.S. PACKAGING EXHIBITION THIS FALL. THE CHINESE ALSO MENTIONED THEIR POSSIBLE INTEREST IN SENDING STUDENTS TO THE U.S. TO STUDY PACKAGING TECHNOLOGY (SEE PEKING 2543).

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 PEKING 02850 03 OF 03 121219Z

8. TO THE U.S.: NINE COMMERCIALY ORIENTED DELEGATIONS LEFT PEKING FOR THE U.S. IN AUGUST. THEY ARE LISTED BELOW FOLLOWING THE NAME OF THEIR U.S. HOST.

- NATIONAL COUNCIL FOR U.S.-CHINA TRADE (NCUSCT): A SEVEN-MAN CHINATEX DELEGATION; 50 DAY VISIT IN U.S.; MEMBERS PRIMARILY FROM GARMENTS DIVISIONS OF CHINATEX.
- NCUSCT: A 17-MAN METALLURGICAL DELEGATION PRIMARILY INTERESTED IN IRON ORE MINING AND PROCESSING.
- NCUSCT: A FIVE-MAN GROUP FROM THE CHINA NATIONAL ARTS AND CRAFTS CORPORATION; PLAN TO STAY IN THE U.S. FOR TWO MONTHS.
- NCUSCT: A TEN-MAN NATIVE PRODUCE TRADING GROUP FROM CHINA NATIONAL NATIVE PRODUCE AND ANIMAL BY-PRODUCTS IMPORT AND EXPORT CORPORATION; EXPECT TO BE IN THE U.S. FOR TWO MONTHS.
- UNIVERSAL OIL PRODUCTS: A TEN-MAN DELEGATION FROM VARIOUS CHINESE CHEMICAL FIBER PLANTS.
- WEYERHAEUSER: A THREE-MAN GROUP VISITING WEYERHAEUSER TO INSPECT PAPER PUMP MANUFACTURING FACILITIES AND MAKE PURCHASES.
- GEORGE E. FAILING CO. (ENID, OKLAHOMA): A GROUP OF TEN TRAINEES FROM THE CONTROLLABLE SEISMIC CENTRE, GEOPHYSICAL DEPT., CHINA PETROLEUM CORPORATION.
- ARTHUR G. MCKEE AND COMPANY: A THIRTEEN-PERSON CHEMICAL MINING STUDY GROUP.

9. THIS MESSAGE CONTAINS SENSITIVE COMMERCIAL INFORMATION WHICH SHOULD NOT BE DISCUSSED OUTSIDE THE U.S. GOVERNMENT. WOODCOCK

CONFIDENTIAL

NNN



## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** REPORTS, SALES, DRILLING, TRUCKS, TOOLS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 12 sep 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978PEKING02850  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780370-0426  
**Format:** TEL  
**From:** PEKING  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1978/newtext/t19780976/aaaaclei.tel  
**Line Count:** 417  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** 5cd15b52-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EA  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 8  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 03 may 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 1467617  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** BUSINESS ACTIVITY REPORT: AUGUST SUMMARY: HIGHLIGHTS FOR AUGUST WERE A SALE OF DRILLING BITS BY REED TOOL, A SALE OF HEAVY OFFROAD TRUCKS  
**TAGS:** EAGR, ECON, ETRD, CH, US  
**To:** STATE  
**Type:** TE  
**vdkgvkey:** odbc://SAS/SAS.dbo.SAS\_Docs/5cd15b52-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014